Chevron's Specific Comments to the Proposed MMS Pipeline Rules of October 3, 2007

Page	Section	Regulation Requirement	Comment
56442	Summary	Contents of summary text.	There are some inconsistencies between the summary at the beginning of the document and the text therein. In some cases, the summary is more detailed than the text.
56443	Review of Proposed Rule - *General*	Table of acronyms	It would be useful to include a listing or table of acronyms.
56443	Review of Proposed Rule - *Applications for New Pipelines*	MMS is also codifying the Coastal Zone Management information requirements for affected States for the first time in the pipeline regulations.	How will this affect the operators, and as of when…?
56444	Review of Proposed Rule - *Pipeline Construction*	The proposed rule would require companies to submit construction reports within 45 days after completion of pipeline construction, instead of the current 90 days.	Need input from EPC contractors to determine if this is practicable.
56444	Review of Proposed Rule - *Pipeline Risers Connected to Floating Platforms*	The proposed rule establishes a Pipeline Riser Verification Program for risers connected to floating platforms. The proposed rule at § 250.1052 requires that all such pipeline risers be subject to separate verification that necessitates the use of a Certified Verification Agent (CVA) specifically for the pipeline riser.	Will there be any "certification" of the CVA companies…? A list of CVAs that are approved by MMS would be useful.
56445	Review of Proposed Rule - *Pipeline Safety Equipment*	In addition, the RS may require the installation of a flow safety valve (FSV) or a shutdown valve (SDV) on departing pipelines.	Although FSVs and SDVs are commonly installed, these are also added hydrocarbon leak source; the option should be available to omit FSVs and SDVs based on risk assessments using industry acknowledged practices.

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56445	Review of Proposed Rule - *Pipeline Leak Detection*	The proposed rule allows the RS to require leak detection systems if MMS determines that they are necessary.	Need industry consensus on effectiveness of available leak detection methodologies and systems.
56445	Review of Proposed Rule - *Pipeline Internal Corrosion Control and Flow Assurance*	…new requirements to prevent internal pipeline corrosion and to maintain adequate flow over the life of a pipeline.	This should be an integral part of the Integrity Management Program under the section: Pipeline Operations and Maintenance (250.1079)
56445	Review of Proposed Rule - *Pipeline Operations and Maintenance*	Proposed § 250.1079 would require the preparation of an operations and maintenance manual, an integrity management program, an emergency plan, and a personnel qualification program. …The new requirements in § 250.1079 are performance based. At a later time, MMS may propose more prescriptive regulations if research indicates the need for them.	A framework or guideline should be developed for these "facility management system" elements, e.g. API RP 75, ASME B31.8 Supplement S By implying future prescriptive regulations, the rule becomes an obstruction for development of industry guidelines for performance based management strategies and performance measures.
56445	Review of Proposed Rule - *Pipeline Operations and Maintenance*	The new requirements in § 250.1079 are performance based. At a later time, MMS may propose more prescriptive regulations if research indicates the need for them.	No definitions of the performance requirements.
56445	Review of Proposed Rule - *Pipeline Operations and Maintenance*	Proposed § 250.1080 would require marking pipeline segment numbers on the pipeline at each platform. The proposed rule would require marking immediately for new pipelines, but allows 6 months to mark existing pipelines.	12 months would be a more practical timeframe for marking existing pipelines since this would allow planning in conjunction with an annual inspection.
56445 / 56498	Review of Proposed Rule - *Pipeline Modifications and*	Paragraph on clamp repairs. § 250.1096	You can only put a fully welded clamp; in the details there are some different comments about a temp mech clamp.

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	Repairs		
56445	Review of Proposed Rule - *Pipeline Modifications and Repairs*	…the proposed rule would require the submission of a modification report within 30 days of completion. The proposed rule would require that the company submit a repair report within 30 days of the completion of the repair.	Is 30 days reasonable…?
56446	Review of Proposed Rule - *Pipeline Surveying, Monitoring, and Inspection*	The proposed rule would require visual surveys of all pipeline routes at least monthly….	Too prescriptive; the performance based integrity management program should determine the "optimal" method and frequency of integrity assessment, e.g. technique, frequency, and extend of monitoring, inspection and testing activities. A mandatory time-based frequency of integrity assessment activities undermines the incentive to develop optimal performance based approaches.
56446	Review of Proposed Rule - *Pipeline Surveying, Monitoring, and Inspection*	…the proposed rule would require annual inspections of each pipeline riser in and above the splash zone….	The visual inspection will require divers, and can practically only be performed under very favorable weather conditions. The POD is low for most degradation mechanisms. The rule should allow for alternative program for monitoring risers at the splash zone.
56446	Review of Proposed Rule - *Pipeline Surveying, Monitoring, and Inspection*	The ultrasonic test inspections, inline inspections, and trawling tests in proposed § 250.1103(d), (e), and (f) are new to the regulations. The RS may require these inspections and tests if specific conditions indicate the need for them.	The performance based integrity management program should determine the "optimal" method and frequency of integrity assessment, e.g. technique, frequency, and extend of monitoring, inspection and testing activities. Worth noting is that a large number of GoM lines can not be made subject to ILI, and will required application of emerging technologies to provide adequate basis for proper integrity assessments. ILI is not a reasonable requirement unless Pipeline Design specifications ensure such operation can be

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			performed.
56449	Procedural Matters - *Regulatory Planning and Review (Executive Order (E.O.) 12866)*	… to comply with the new requirements for pipeline integrity management plans and associated manuals.	Integrity management plans - at what level is this document? Company, field, asset, pipeline – Not clear – List of requirements, assume that has to be down to individual equipment.
56455	1063(b)(3)	Keep most current pressure recorder charts and well test records at nearest OCS facility. Make available to MMS for inspection.	These pressures should already be captured in the MMS monthly report. What is the purpose of actually storing the recorder charts and well test records? This is only referenced in the table. I can't find it in the text (pg. 56490?)
56455	1079(b)(g)	Hour Burden = 300	What is significance of this time?
56468	250.1006(d)	Plans and Reports. You or the Certified Verification Agent (CVA), as appropriate, must submit plans and reports to MMS according to the following table….	How do you certify the CVA? Civil or Structural Engineer?
56487 56488	250.1054(a)(14) and (c)(7)(vi)	Paragraph mentions that the CVA is responsible for recommendations on in-service inspection frequencies and inspection methods.	How does this fit with the RBI program? - Would need to have inspection frequencies on all equipment at the time of the construction so can be verified - Could impact/prevent ability to apply any new technology - Civil/structural engineer are not the correct background/expertise to be commenting on corrosion/inspection frequencies
56492	250.1071	If your pipeline transports liquid hydrocarbons to shore, or if the Regional Supervisor otherwise requires it, you must use a computational pipeline monitoring (CPM) system or equivalent methodology to detect leaks by continuously determining or calculating the imbalance between the	What is the effectiveness of the existing leak detection systems (both liquids and gas)? (Ongoing PRCI project)

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		incoming (receipt) and outgoing (delivery) volumes of a pipeline.	
56493	250.1079(b)(1)	(i) Using an in-line inspection tool (e.g., smart pig) to detect corrosion or deformation anomalies; (ii) Performing hydrostatic pressure tests (see § 250.1058) to test tensile strength; or (iii) Using other technology that can provide an equivalent understanding of the condition of your pipelines.	The three options seem to be out of line with each other in terms of what they deliver. Why would an operator choose to run an ILI tool when he can simply do a hydrotest or other technology? Is there a hidden long term agenda in this wording?
56493	250.1079(b)(3)	Review. Provisions to review the integrity assessment results and information analysis by a qualified person.	Uses the term 'qualified' person. I don't believe this is defined and will surely lead to variations and disagreements.
56493	250.1079(b)(4)	Remedial Actions. Criteria for performing prompt remedial actions to address anomalous conditions you discover through integrity assessment or information analysis.	Uses the term 'prompt'. What defines prompt?
56493	250.1079(b)(g)(3)	Review. Provisions to review the integrity assessment results and information analysis by a qualified person.	I assume that a "qualified person" is defined by section 1079(b)(d) Personnel Qualification Program.
56493	250.1079(d)	Personnel qualification program. You must have a written qualification program for individuals who perform pipeline operation, maintenance, and repair duties for you that may affect the safe operation or integrity of a pipeline.	Could be a nightmare and we really need to have explained what they will require – as written the paragraph seems relatively straightforward. However if you read the impact assessment it is 30 man days to prepare and submit that is one hefty manual. Do they expect things we may not foresee? Agree with first paragraph but not following six requirements; there are a number of issues with reporting requirements and legal liabilities in (3) and (4) – moving from corporate to individual liability. Item (6) - Is this entire standard really applicable as it was written for operators? Identify the relevant

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			sections.
56493	250.1079(d)(3)	Inspection. You must make copies of your operations and maintenance manual, integrity management program, emergency plan, and personnel qualification program available to MMS personnel at the nearest OCS facility upon request.	I assume that this can be electronic copies. GOM currently has all M.I. data in an internet database (Oceaneering or Global). How do we currently store pipeline inspection data? Do we want to add it to the topside MI program?
56493	250.1080	When must I mark the MMS assigned pipeline segment number on a pipeline?	Change requirement for existing lines from 6 months to 12 months such that the marking can be done in association with the annual inspections
56498	250.1096	When repairing a pipeline using a clamp, you must comply with the requirements in the following table….	Does this table now impose restrictions on repairs for example would we be excluded from things such as composite repairs in place of mechanical clamps or welded repairs. Move from specifics like clamps to "an engineered repair". Excluding composite repairs. Are rules retroactive – does that mean you have to go back and replace anything that is now deemed unacceptable by the RS?
56498	250.1101(a)	Surveying. You must conduct a visual survey of each of your pipeline routes at least monthly (or at a frequency specified by the Regional Supervisor) for indication of pipeline leaks.	This would get quite expensive if we have to do this with an ROV in the GOM. Wouldn't your external visual inspection interval be set by the RBI? Need to define the desired objective/purpose and allow ops to define how to best implement. - Is flying the line over the water sufficient? - Do you have to have each company individually fly every route? Can "common" inspections by helicopters be acceptable? - Confirm do not intend ROV?

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			- Not applicable for deepwater. - Overlap with leak detection requirement – if you have leak detection, do you still have to survey? The rule is too subjective as too much is left to the interpretation of the individual Regional Supervisor - Consistency over time, person to person, when staff change, area to area
56498	250.1102	What inspections are required for my pipeline or route?	The rule repeatedly mixes performance and prescriptive requirements. A consistent approach is required. Prescriptive requirements will require considerably more definition of both terms used and the requirements.
56499	250.1102(a)	Conduct a visual inspection of each pipeline riser in and above the splash zone at least annually for indications of damage or corrosion.	This is vague as most people would assume it's an external inspection but it says the riser. Does or could that be interpreted to mean internal and external which would be significantly different inspections. I don't believe this is currently done in the GOM. However, it would be an easy fix as we would just have to add it to the annual inspection scope. Define that an EXTERNAL visual inspection is intended, looking at the external protection (e.g. Splashtron) is acceptable and you don't have to remove it. - Definition of what is the splash zone – e.g. 0.65 of mean wave height above highest astronomical tide, to 0.35 of mean wave height below the lowest astronomical tide - Concerned about inconsistency of 919 and the stated frequency here o 250-919 has annual inspection

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			requirement ▪ You must develop a comprehensive annual in-service inspection plan covering all of your platforms. As a minimum, your plan must address the recommendations of the appropriate documents listed in §250.901(a). Your plan must specify the type, extent, and frequency of in-place inspections which you will conduct for both the above water and the below water structure of all platforms, and pertinent components of the mooring systems for floating platforms. The plan must also address how you are monitoring the corrosion protection for both the above water and below water structure. http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=eb0bc4839fe3ce1e42aa96262b9285b1&rgn=div5&view=text&node=30:2.0.1.2.26&idno=30#30:2.0.1.2.26.9.108.20 ▪ Document should state outright what the required inspection frequency is if a prescriptive approach is used, otherwise a risk based approach should be stated.
56499	250.1102(b)	In conjunction with the platform inspections required by § 250.919, inspect the underwater portions of each pipeline riser for indications of corrosion, soil erosion, or damage.	If I understand the wording correctly, this is required annually. I assume that this must be done with an ROV or divers. Very expensive to perform this inspection annually. RBI should set inspection intervals.
56499	250.1102(d)	You must measure the pipe-to-electrolyte potential annually by September 30 of each year.	This is already covered by the Level I surveys. Need to assure that Shelf platform surveys include risers.

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56499	250.1103	The Regional Supervisor may require you to conduct the inspections or surveys in the following table….	This whole table is vague as it places on operators a group of unknowns as to when and how often or even if these may be required.
56500	250.1103(d)	Conduct a UT inspection of your pipeline….	This is especially worrying as it specifies an ultrasonic test – does this exclude MFL or other technologies. This paragraph should specify the desired intent of the examination and then allow operators to choose an appropriate technology. Should be any method of NDE.
56500	250.1103(e)	Conduct an in-line inspection of your pipeline using smart pigs.	This makes an assumption that you will be able to do an ILI survey. What if you cannot?